Approved For Release 2005/07/13 : CIA-RDP67B00446R000600010006-9

STATEMENT OF MR. C. WILLIAM KONTOS, DIRECTOR, OFFICE OF PERSONNEL ADMINISTRATION, AGENCY FOR INTERNATIONAL DEVELOPMENT, IN SUPPORT OF H. R. 10721.

Mr. Chairman, Committee Members, Ladies and Gentlemen:

I speak on behalf of the Department of State and the United States Information Agency as well as my own Agency. Together we number a total employee strength of 26,600 Americans, of which 14,000 are employed in the United States and 12,600 overseas.

We strongly support the bill which Mr. Hathaway has placed before the Congress. We feel its benefits are needed and are long overdue. We also feel that it provides a worthy approach to the problem. Our support of the bill should also be taken as support for further and expanded measures which, we hope, will be offered in the future.

The spokesman for the Department of Labor has ably presented justification for the various provisions of the bill now before you. These will enlarge the benefits of legislation, too long unchanged, for illness, injury, disability and death incurred by Federal employees and by reason of their Federal employment. Their purpose is to revive and reinforce the legislative intent which was last expressed in 1949, in terms of today's cost of living, today's value of the dollar, today's scale of earnings.

We support all these provisions, but would like to focus our attention

Approved For Release 2005/07/13 : CIA-RDP67B00446R000600010006-9

Approved For Release 2005/07/13 : CIA-RDP67B00446R000600010006-9

on one aspect of the bill, namely the maximum award for service-connected total disability or death. This is the feature which establishes the limit of the Government's assistance under the Federal Employees' Compensation Act. I address myself to this award "ceiling" not only from the standpoint of its effect on all employees, but its effect especially on our employees, who, I feel, must be mentioned separately in viewing the proposed amendments. There is a significant difference between this group and the rest of the Government population. This difference is reflected in the degree of skill and training required of them, the locales in which they operate, and the risks to which they are subject.

It is this very difference which explains my appearance before you. Mr. Bonahue has already cited the example of the AID overseas employee who is paralyzed for life. The hand which fired the bullet in a Bolivian mountain pass a year ago and severed Jacob Jackson's spinal cord jolted us with the realization that the present ceiling on awards cut the Jackson family's annual income overnight from $14,595.00 to $6,300.00, for a totally disabled father, wife and three young children. This - - in the economics of 1965!

It is such a situation, repeated early this year in the death of Joseph Grainger, an AID employee killed by the Viet Cong while resisting recapture, which dramatizes the inequity of today's ceiling on FECA awards. Joe Grainger's salary was $11,325; the maximum award his wife and four children

Approved For Release 2005/07/13 : CIA-RDP67B00446R000600010006-9

Approved For Release 2005/07/13 : CIA-RDP67B00446R000600010006-9

can receive is a total of $6,300.00. And at this moment Gustav Hertz, the Chief of AID's Public Administration Division in Vietnam, remains a prisoner in some unknown Viet Cong location. His salary is $20,200.00. Should the possible happen, Mrs. Hertz and their children would be limited to the same $6,300.00 award.

Even these three cases do not tell the whole story of civilian, service-connected, maximum risks abroad. An early victim, again in Vietnam but long before the present inflamed stage of affairs was Dolph Owens, one of our Public Safety Advisors, struck down from ambush in November of 1960, within weeks after his arrival in that country and at the very moment when his young wife and two small daughters were enroute to join him there.

Vietnam, of course, comes first to mind when we think of danger abroad, and our three Agencies alone have a total of 850 employees there. But Vietnam, as we already know, is not the only place where employment-connected disaster can strike. In addition to Bolivia, the Dominican Republic, Cyprus, the Congo and many other man-made and nature-created emergencies can only too easily be recalled. The civilians who fight our country's - perhaps the world's - battle abroad need the support this bill provides.

The present ceiling on our financial recognition of death or disability from Federal service was not ungenerous when it was established, 16 years ago.

Approved For Release 2005/07/13 : CIA-RDP67B00446R000600010006-9

Approved For Release 2005/07/13 : CIA-RDP67B00446R000600010006-9

But, being an absolute amount rather than a percentage, it sank proportionately lower year by year as salaries and cost of living have risen steadily since 1949.

The bill's increase of monthly maximum from $525 to $685 is of some help. The new maximum annual award of $8,220 is an improvement. We understand that the President's Cabinet Committee on Federal Staff Retirement Systems has under consideration this very employee need as one of the collateral subjects it is exploring and interrelating with retirement and other employee benefits. We trust that its report will offer guidance for continuing address to the problem.

The bill does not alter the method of calculating the amount of award below the dollar maximum it establishes, ~~This remains at 75% of monthly salary,~~ but the award cannot exceed $685 per month or $8,220 per year. ~~$8,220 is 75% of $10,960.~~ All Federal employees, ~~then,~~ who earn ~~$10,960~~ 11,511 or less will have the assurance that their award - or their family's, in the event of their own death - can approach substantially their full earnings before the event. Not so employees whose earnings are greater than ~~$10,960.~~ 11,511 These employees (older, perhaps, with greater family responsibilities; more experienced and skilled; dispatched to far reaches of their country's service; or engaged in the more important and more taxing responsibilities of government) will remain limited to the same $8,220 per annum recovery.

Approved For Release 2005/07/13 : CIA-RDP67B00446R000600010006-9

Approved For Release 2005/07/13 : CIA-RDP67B00446R000600010006-9

We are informed that 93% of the Federal work force earns ~~$10,960~~ 11,511 or less per year. The great bulk of the Government's establishment, therefore, is assured the full allowable proportion (75%) of salary in the circumstances we are discussing, and only 7% will receive a lesser proportion.

However, of the 26,600 employees of our three agencies, it is ~~3~~ 37%, not 7%, who earn more than ~~$10,960~~ 11,511, and who cannot expect the full proportion of salary.

In summary, we support the bill in its entirety. We consider a most important feature of the present Act to be the amount of compensation which can be awarded to the employee or to his family if the most tragic events associated with his employment should befall him - total disability or death. We appreciate that the increase in maximum award which this bill provides is an advantage over that which is now provided.

We recommend favorable action on the bill now before you.

Mr. Chairman, I appreciate the opportunity to appear before you.

Approved For Release 2005/07/13 : CIA-RDP67B00446R000600010006-9